



State of Wisconsin
Department of Public Instruction
Elizabeth Burmaster, State Superintendent

*****NEWS RELEASE*****

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**Burmaster commends legislators for practical bills on
revenue limit carry-forward issue**

Rep. Towns and Sen. Olsen plan to introduce bills that support Burmaster's budget proposal

MADISON—State Superintendent Elizabeth Burmaster today commended Rep. Debi Towns (R-Janesville) and Sen. Luther Olsen (R-Berlin) for announcing plans to introduce legislation that will allow districts to carry forward 100 percent of their unused revenue limit.

"My 2005-07 education budget included a provision that would allow school districts to carry over the total amount of their unused revenue limit," Burmaster said. "This budget proposal is intended to return local control to school districts, provide them with more flexibility in their long-term fiscal planning, and help property taxpayers."

The maximum amount districts can levy through property taxes to run local schools is determined by a formula based on enrollment changes, the Consumer Price Index, and each district's prior year controlled revenue. Districts receive aid certification from the Department of Public Instruction each Oct. 15 and then calculate the maximum allowable levy by subtracting the aid certification from the revenue limit. Under current law, if the district taxes below its revenue limit, the next year's revenue limit is increased by 75 percent of the difference between its actual revenue (local property taxes and state and federal aid) and the amount of revenue allowed under the revenue limit formula.

"While the revenue limit law was intended to provide property tax relief, it has set up an incentive for districts to tax at the highest level rather than lose taxing authority in the next year," Burmaster explained. "By allowing districts to carry forward all of their unused taxing authority, we help districts protect their future finances and tax only to the needs of local budgets for that year."

(more)

Burmaster noted that Rep. Towns had introduced similar legislation in the last legislative session which easily passed the Assembly Committee on Education, but stalled in the Joint Committee on Finance. She also noted that the Governor's Task Force on Educational Excellence included similar recommendations in its report. "I want to commend Rep. Towns for continuing her pursuit of this practical legislation and Sen. Olsen for his support of a companion bill in the state senate," Burmaster said.

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